

LiqTech International, Inc.

Q1 revenues up on US oil & gas delivery. Progress on water systems, bookings recovery continues. Raising PT to \$3.60 from \$3.40.

United States
Technology

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COMPANY UPDATE

Rating: BUY

Ticker: LIQT

Price: \$1.60

Target: \$3.60
From 3.40

Q1 FY25 sales slightly ahead of our estimate: Q1 FY25 (March) revenues of \$4.6 million were up 36% sequentially, 9%yoy, and slightly ahead of our estimate of \$4.5 million for the quarter. Q1 sales included revenues from the company's first major US Oil & Gas system sale, which LiqTech had indicated had been pushed from Q4 FY24 into Q1 of this year. EPS came in at \$(0.25), versus our estimate of \$(0.18) as gross margins were impacted by startup costs associated with the US Oil & Gas project.

Large US Oil & Gas water filtration system delivered in Q1: On December 5, 2024, LiqTech announced a large commercial order for its PureFlow mobile water filtration units through its distributor, Razorback Direct, for the North American Oil & Gas Market. In Q1 FY25, the order was delivered. This marks a significant milestone for the company, following a pilot project with Razorback put in place last year. The order marks progress in the company's efforts to unlock new geographies and verticals for its liquid filtration systems expertise.

Q2 FY25 Revenue guidance indicates the company is seeing sustained bookings improvement: Q2 guidance is for sales of \$4.8-5.2 million. The mid-point of \$5 million would amount to 8% sequential growth and 11% yoy growth. The company is citing broad-based order demand for membranes, plastics, swimming pools, marine scrubbers and full-system pilot activity.

Incremental progress in swimming pool and marine scrubber markets: During the conference call, management highlighted progress in the marine scrubber market through its Chinese JV as well as a new distribution partner (NAF Aquatics) to sell swimming pool filtration systems in the US market.

Expense control remains a priority as the company pushes to achieve cash-flow break-even at under \$6 million in quarterly sales: LIQT continues to exercise cost discipline, including salary and headcount reductions. Operating expenses for Q1 FY25 were contained at \$2.3 million, flat yoy and down sequentially. The company affirmed its target cash-flow breakeven at a quarterly sales run-rate of \$5.5-\$6 million.

Adjusting estimates: We are raising our FY25 and FY26 revenue estimates to \$19.6 million and \$22.8 million, from \$19.0 million and \$22 million, respectively on signs of improving order trends. We are lowering our FY25 EPS estimate to \$(0.81) versus \$(0.60) previously on lower margin assumptions. Our FY26 EPS estimate is now \$(0.49), versus \$(0.40) previously. Consensus estimates are \$(0.60) on revenues of \$19 million for FY25.

\$10.4 million in cash provides ample runway: Exiting Q1 FY25, LiqTech had \$10.4 million in cash, enough to sustain operations through FY2026. This included a \$1.1 million infusion from the company's Chinese JV partner, JiTRI.

Raising PT to \$3.60 (from \$3.40): We are raising our 12-month price target to \$3.60 from \$3.20 based on an NPV analysis. We believe that the conversion of pilot projects to orders will ultimately provide a catalyst for stock-price appreciation. We believe the company's undemanding valuation of 0.5x EV/forward sales represents attractive risk/reward, given the company's high growth prospects and large market opportunity. Low visibility and potential dilution remain the biggest risks to our price target.

Company Description

Based in Ballerup, Denmark, LiqTech International, Inc. is an industrial company specializing in systems and components for environmental filtration.

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.24-3.20
Shares Outstanding (million):	9.6
Market cap (\$million):	\$15.4
EV (\$million):	\$10.5
Debt (\$million):	\$6.4
Cash (\$million):	\$10.4
Avg. Daily Trading Vol (\$ millions):	\$0.017
Float (million shares):	7.25
Short Interest (million shares):	0.104
Dividend, annual (yield):	NA

Revenues (US\$ million)

	2025E (Cur.)	2025E (Old.)	2026E (Cur.)	2026E (Old.)
Q1 Mar	4.6A	4.5E	5.4E	5.2E
Q2 Jun	5.0E	4.7E	5.8E	5.5E
Q3 Sep	5.0E	4.8E	5.8E	5.6E
Q4 Dec	5.0E	5.8E		
Total	19.6E	19.0E	22.8E	22.0E
EV/Rev	0.5x		0.5x	

Earnings per Share (pro forma)

	2025E (Cur.)	2025E (Old.)	2026E (Cur.)	2026E (Old.)
Q1 Mar	(0.25)A	(0.18)E	(0.17)E	(0.14)E
Q2 Jun	(0.21)E	(0.16)E	(0.13)E	(0.12)E
Q3 Sep	(0.17)E	(0.12)E	(0.08)E	(0.06)E
Q4 Dec	(0.18)E	(0.14)E	(0.11)E	(0.08)E
Total	\$(0.81)E	\$(0.60)E	\$(0.49)E	\$(0.40)E
PE	NA		NA	

* reflects a 1:8 reverse stock split in May 2023

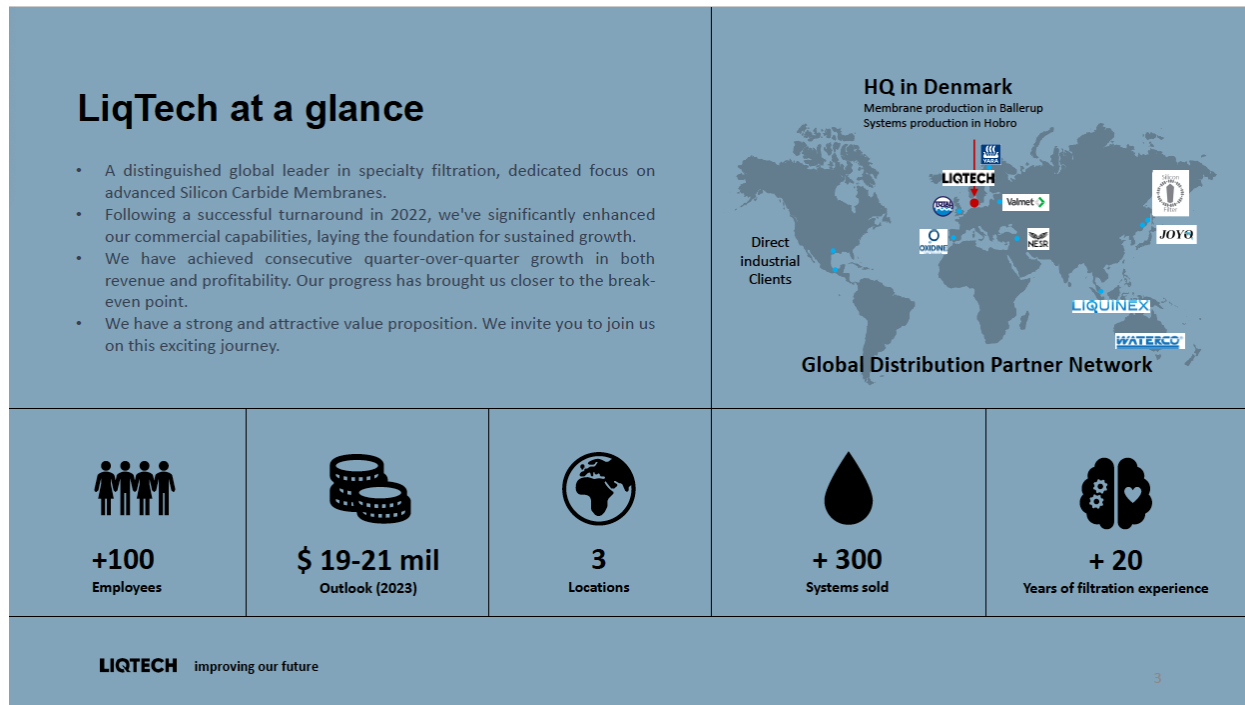
* reflects a 1:4 reverse stock split in April 2019

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

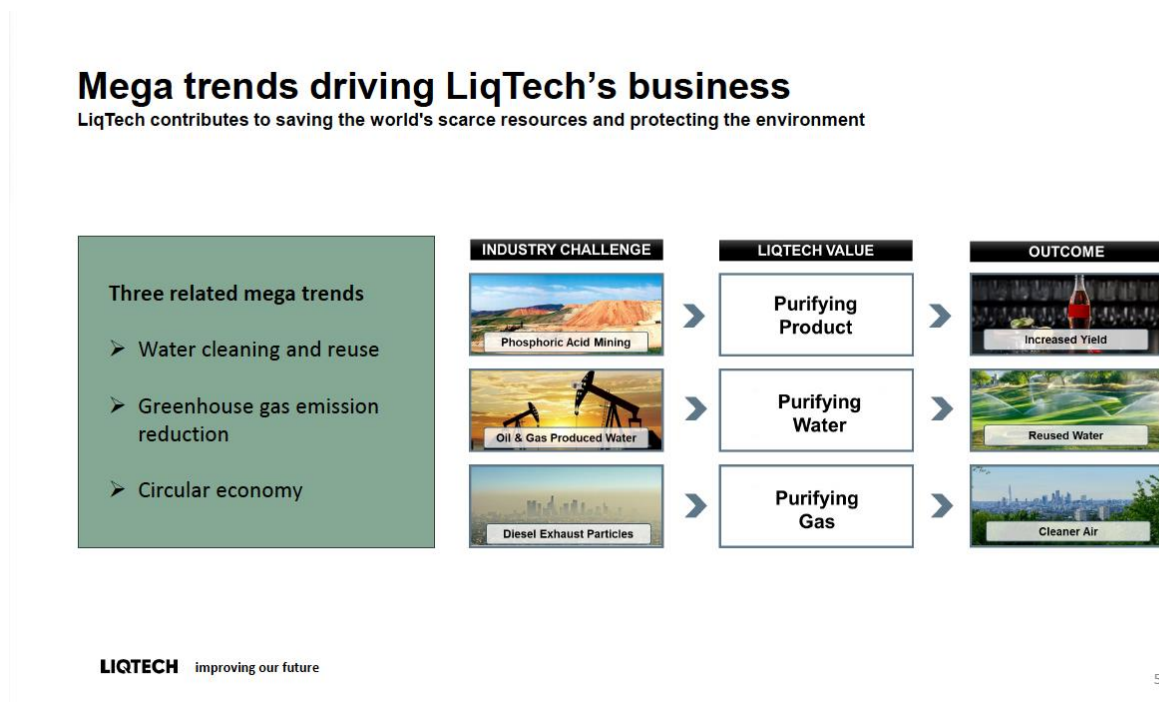
For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 12.

Exhibit 1: LiqTech International, Inc. at a Glance



Source: Company Reports

Exhibit 2: Trends Driving LiqTech's Business

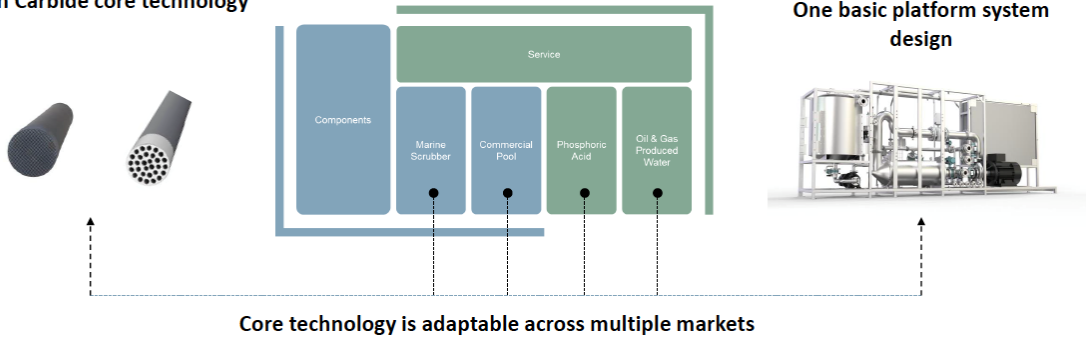


Source: Company Reports

Exhibit 3: LiqTech International, Inc. Core Technology and System Design

Our core technology and system design enable us to prioritize commercial development

Silicon Carbide core technology



LIQTECH improving our future

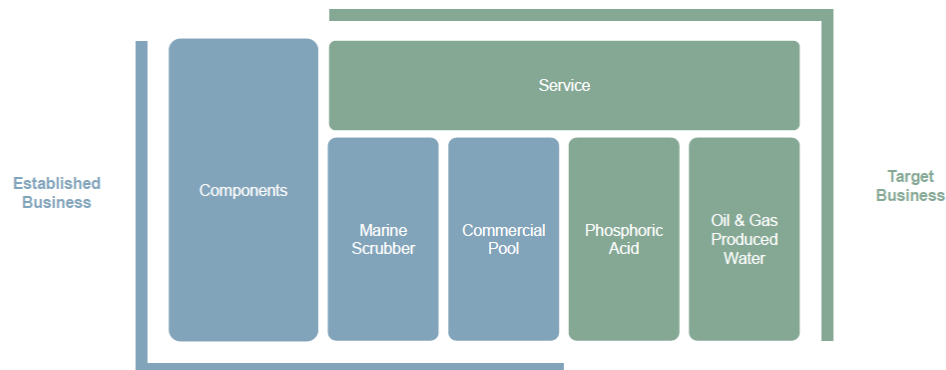
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Source: Company Reports

Exhibit 4: LiqTech International, Inc. New Commercial Strategy

New commercial strategy is implemented

Focus is the key word – **Delivering revenue** on established business and **Driving growth** through expansion into additional target markets



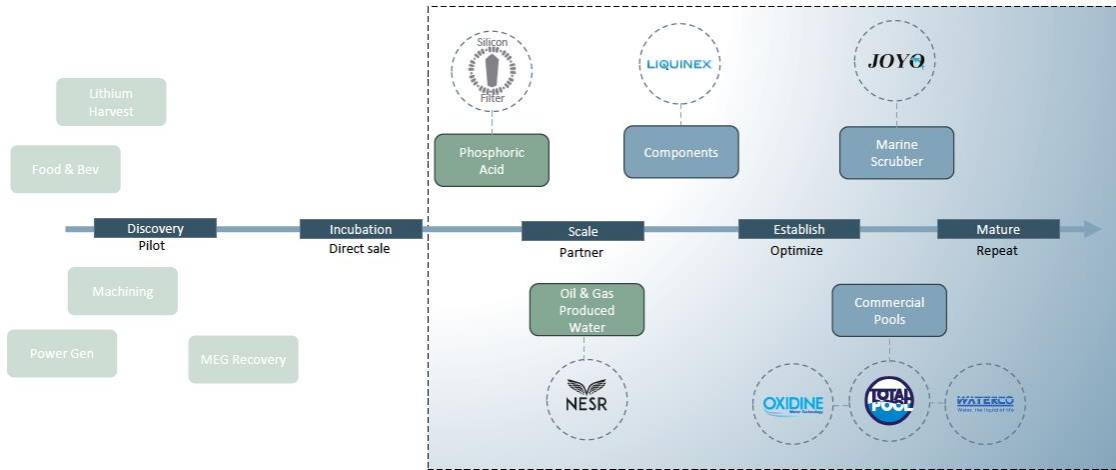
LIQTECH improving our future

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Source: Company Reports

Exhibit 5: LiqTech International, Inc. Strategic Distribution Partnerships

Commercial scale up by strategic distribution and partnership collaborations



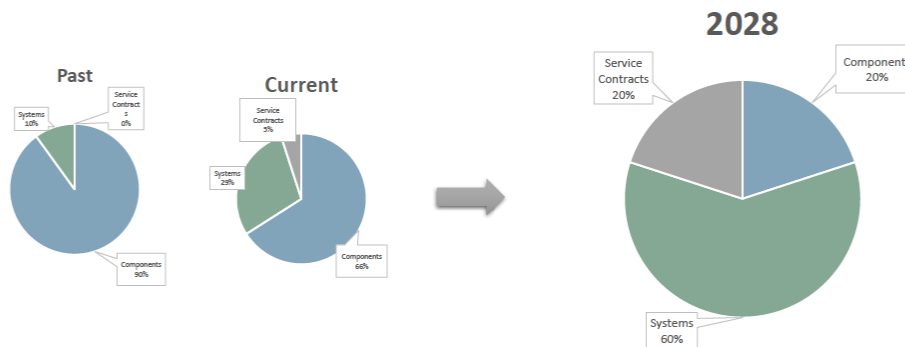
LIQTECH improving our future

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Source: Company Reports

Exhibit 6: LiqTech International, Inc. Revenue Mix Goals

Transforming into a balanced business including system, service and component sales



LIQTECH improving our future

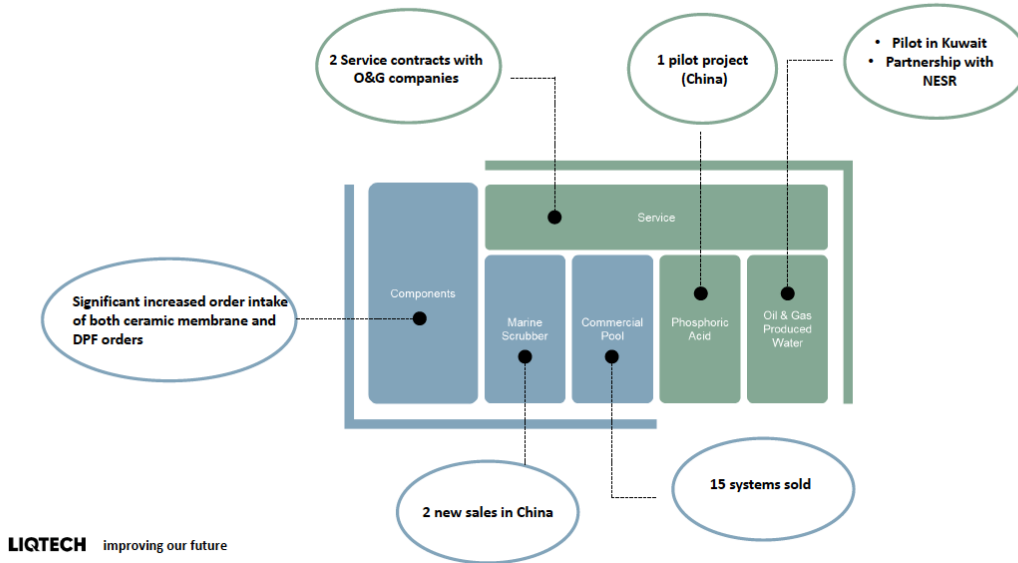
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Source: Company Reports

Exhibit 7: LiqTech International, Inc. Recent Design Wins by Segment

Recent wins

Our new commercial strategy is showing good results



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Source: Company Reports

Exhibit 8: LiqTech International, Inc. Senior Management Team

Strong new leadership team in place



Source: Company Reports

Exhibit 9: LiqTech International, Inc. Recent Design Wins

Recent wins

Our new commercial strategy is showing good results



LIQTECH improving our future



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Source: Company Reports

Exhibit 10: LiqTech International, Inc. Case Studies

CASE STUDY

Commercial Pools

UK Commercial pool market benchmark made by our partner Total Pool

	Vs.	
Sand filter	Payback ~ 3 yrs	Aqua Solution®
\$ 26,260	Annual Electricity Cost	\$ 10,980
\$ 6,690	Annual Water Cost	\$ 1,352
\$ 8,711	Annual Heating Cost	\$ 1,760

Sand filters are commonly used in Swimming pool filtration and they are usually expensive and very manual to operate

LIQTECH improving our future

Phosphoric Acid

Major Phosphoric Acid producer for the soft drink industry in USA

	Vs.	
Leaf filter	Payback ~ 0.5 yrs	PurePhos
24 days	Annual Downtime	0 days
> \$ 10 mil	Annual Downtime cost	\$ 0
> \$ 1.8 mil	Annual Carbon filter cost	\$ 300k

Leaf filters are commonly used in phosphoric acid purification and they are usually the bottleneck in plants due to high maintenance frequency

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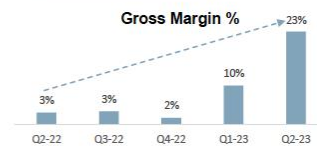
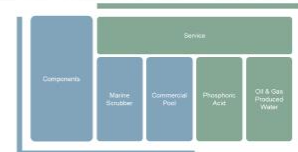
Source: Company Reports

Exhibit 11: LiqTech International, Inc. Key Takeaways

Key takeaways

- 1 Investments have been made to transform LiqTech.
- 2 Our new commercial strategy has already yielded positive outcomes.
- 3 We have a new leadership team in place.

OUR VISION
LiqTech will become a leading provider of advanced and sustainable filtration solutions



LIQTECH improving our future

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Source: Company Reports

Exhibit 12: LiqTech International, Inc. Consensus Revenue and Earnings Estimates

6/10/25

Revenue (USD million)

	<u>FY2025E</u>	<u>FY2026E</u>
Q1 Mar	\$4.6A	\$5.2E
Q2 Jun	\$4.7E	\$5.5E
Q3 Sep	\$4.8E	\$5.6E
Q4 Dec	\$5.0	\$5.8E
Total	\$19.E	\$22.0E

EPS (USD)

	<u>FY2025E</u>	<u>FY2026E</u>
Q1 Mar	\$(0.22)A	\$(0.14)E
Q2 Jun	\$(0.16)E	\$(0.12)E
Q3 Sep	\$(0.12)E	\$(0.06)E
Q4 Dec	\$(0.14)E	\$(0.8)E
Total	\$(0.60)E	\$(0.40)E

Source: Company Reports, Capital IQ, Ascendant Capital Markets Estimates

Exhibit 13: LIQT Daily Stock Price Chart, past 5 years



* reflects a 1:8 reverse stock split in May 2023

* reflects a 1:4 reverse stock split in April 2019

Source: <https://bigcharts.marketwatch.com/>

FINANCIAL MODEL

LiqTech International, Inc. (LIQT)

Income Statement (\$ mils)	2021	2022	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	FY-A	FY-A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Water revenue (as % of total)	39%	33%	43%	37%	42%	28%	42%	38%	58%									
Ceramics revenue (as % of total)	39%	43%	35%	43%	37%	43%	32%	39%	21%									
Plastics revenue (as % of total)	20%	22%	21%	21%	21%	27%	26%	23%	21%									
Other revenue (as % of total)	2%	2%	2%	0%	0%	2%	0%	0%	0%									
Water revenue (yoy growth)	-47%	-26%	45%	8%	-10%	-74%	-9%	-28%	74%									
Ceramics revenue (yoy growth)	27%	-5%	-9%	28%	-7%	-33%	-24%	-10%	-47%									
Plastics revenue (yoy growth)	37%	-2%	6%	-25%	-16%	1%	13%	-10%	10%									
Water (Systems and service)	7.2	5.3	7.7	1.5	1.9	0.7	1.4	5.5	2.7									
Ceramics (DPFs and Membranes)	7.2	6.8	6.2	1.8	1.7	1.1	1.1	5.6	1.0									
Plastics (Components)	3.6	3.5	3.7	0.9	0.9	0.7	0.9	3.4	1.0									
Other	0.3	0.3	0.3	-	-	0.0	(0.0)	0.0	-									
Total revenue	18.3	16.0	18.0	4.2	4.5	2.5	3.4	14.6	4.6	5.0	5.0	5.0	19.6	5.4	5.8	5.8	5.8	22.8
Total cost of goods sold	16.7	15.4	15.2	4.0	3.8	2.7	3.9	14.4	4.5	4.7	4.6	4.4	18.1	4.5	4.6	4.4	4.5	18.1
Gross profit (loss)	1.6	0.6	2.8	0.3	0.7	(0.2)	(0.5)	0.3	0.1	0.4	0.5	0.6	1.5	0.9	1.2	1.4	1.3	4.7
<u>Operating expenses</u>																		
Selling expenses	4.6	3.7	4.3	0.5	0.9	0.6	0.7	2.7	0.7	0.7	0.5	0.6	2.6	0.7	0.7	0.5	0.6	2.6
General and administrative expenses	5.8	5.7	4.9	1.5	1.5	1.5	1.1	5.7	1.4	1.2	1.2	1.2	5.0	1.4	1.2	1.2	1.2	5.0
Research and development expenses	1.9	1.8	1.4	0.3	0.4	0.3	0.4	1.4	0.2	0.3	0.2	0.3	1.2	0.2	0.3	0.2	0.3	1.2
Restructuring costs	-	1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	12.3	13.1	10.6	2.3	2.8	2.4	2.2	9.7	2.3	2.3	2.0	2.2	8.7	2.3	2.3	2.0	2.2	8.7
Loss from operations	(10.7)	(12.5)	(7.8)	(2.0)	(2.1)	(2.6)	(2.8)	(9.5)	(2.2)	(1.9)	(1.5)	(1.6)	(7.2)	(1.5)	(1.1)	(0.6)	(0.9)	(4.0)
<u>Other income (expense)</u>																		
Interest and other income	0.4	0.4	0.4	0.1	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.2
Gain on modification of earn-out liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	(0.7)	(0.4)	(0.2)	(0.1)	(0.0)	(0.0)	(0.0)	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Amortization discount on Notes	(0.8)	(2.4)	(0.4)	(0.1)	(0.2)	(0.2)	(0.2)	(0.6)	(0.2)	(0.2)	(0.2)	(0.2)	(0.6)	(0.2)	(0.2)	(0.2)	(0.2)	(0.6)
Fair value adjustment of warrants	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	0.0
Gain (Loss) on currency transactions	0.7	0.4	(0.4)	0.3	0.1	(0.1)	(0.1)	0.2	0.0	-	-	-	0.0	-	-	-	-	0.0
Gain on lease termination	-	0.1	-	-	-	-	(0.5)	(0.5)	-	-	-	(0.5)	(0.5)	-	-	-	(0.5)	(0.5)
Gain (Loss) on assets held for sale	-	-	(0.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of fixed assets	0.0	0.0	0.0	(0.5)	0.0	(0.0)	0.5	-	(0.1)	0.0	(0.0)	0.5	0.4	(0.1)	0.0	(0.0)	0.5	0.4
Income before taxes	(11.2)	(14.4)	(8.8)	(2.4)	(2.1)	(2.9)	(3.0)	(10.4)	(2.4)	(2.0)	(1.7)	(1.7)	(7.8)	(1.7)	(1.2)	(0.7)	(1.1)	(4.7)
Taxes	(0.1)	(0.2)	(0.2)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	-	-	-	0.0	-	-	-	-	0.0
Net loss	(11.1)	(14.2)	(8.6)	(2.4)	(2.1)	(2.8)	(3.0)	(10.3)	(2.4)	(2.0)	(1.7)	(1.7)	(7.8)	(1.7)	(1.2)	(0.7)	(1.1)	(4.7)
Weighted average shares out	2.7	4.4	5.7	5.8	5.8	5.8	7.8	6.3	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
Shares, Diluted	2.7	4.4	5.7	5.8	5.8	5.8	7.8	6.3	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
EPS Basic (pro forma)	(4.13)	(3.20)	(1.51)	(0.41)	(0.37)	(0.49)	(0.38)	(1.64)	(0.25)	(0.21)	(0.17)	(0.18)	(0.81)	(0.17)	(0.13)	(0.08)	(0.11)	(0.49)
EPS Diluted (pro forma)	(4.13)	(3.20)	(1.51)	(0.41)	(0.37)	(0.49)	(0.38)	(1.64)	(0.25)	(0.21)	(0.17)	(0.18)	(0.81)	(0.17)	(0.13)	(0.08)	(0.11)	(0.49)
Margins																		
Gross margin	9%	4%	15%	6%	16%	-8%	-15%	2%	3%	7%	9%	12%	8%	16%	20%	24%	22%	21%
General and admin	25%	23%	24%	12%	19%	25%	22%	19%	16%	15%	10%	13%	13%	13%	13%	9%	11%	11%
Sales and marketing	32%	36%	27%	36%	34%	60%	32%	39%	30%	24%	24%	24%	25%	25%	21%	21%	21%	22%
Operating margin	-58%	-78%	-43%	-48%	-47%	-105%	-81%	-65%	-47%	-38%	-30%	-32%	-37%	-27%	-19%	-10%	-16%	-18%
Tax rate, GAAP	0%	-1%	-1%	0%	0%	0%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-61%	-89%	-48%	-56%	-48%	-115%	-87%	-71%	-51%	-41%	-34%	-35%	-40%	-31%	-21%	-13%	-18%	-21%
Y/Y % change																		
Revenue	-19%	-13%	13%	5%	-10%	-51%	-13%	-19%	9%	11%	102%	47%	34%	16%	16%	16%	16%	16%
COGS	-18%	-8%	-1%	10%	-2%	-35%	8%	-6%	13%	23%	69%	12%	26%	0%	0%	-3%	3%	0%
Gross Profit	-27%	-64%	389%	-31%	-38%	-122%	-293%	-91%	-54%	-51%	-315%	-214%	508%	585%	231%	209%	113%	207%
Selling expenses	56%	-20%	17%	-56%	-17%	-37%	-34%	-37%	39%	-15%	-15%	-15%	-5%	0%	0%	0%	0%	0%
General and administrative expenses	-6%	-2%	-15%	46%	12%	19%	-7%	17%	-12%	-22%	-20%	11%	-12%	0%	0%	0%	0%	0%
Total operating expenses	18%	7%	-19%	-10%	1%	-10%	-13%	-8%	0%	-19%	-18%	-3%	-15%	0%	0%	0%	0%	0%
Operating Income	29%	17%	-38%	-7%	30%	52%	20%	22%	7%	-8%	-42%	-43%	-24%	-33%	-42%	-63%	-43%	-44%
Net income	13%	27%	-40%	0%	38%	101%	-7%	21%	-1%	-4%	-41%	-42%	-24%	-30%	-40%	-56%	-39%	-40%
EPS	12%	-22%	-53%	-3%	34%	97%	-32%	9%	-40%	-42%	-64%	-53%	-50%	-30%	-40%	-56%	-39%	-40%

Source: Company reports, Ascendant Capital Markets estimate reflects a 1:8 reverse stock split in May 2023

LiqTech International, Inc. (LIQT)

Balance Sheet (\$ mils)	Dec-22	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Fiscal Year End: December 31	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Current assets														
Cash	16.6	10.4	7.7	5.5	4.5	10.9	10.4	9.3	8.1	6.9	5.1	3.7	3.3	2.4
Accounts receivable, net	2.3	3.2	2.7	2.8	2.3	2.4	3.4	4.0	4.0	4.0	4.3	4.7	4.7	4.7
Inventories, net	4.1	5.3	5.5	5.6	6.3	5.5	5.7	6.1	6.0	5.8	5.9	6.1	5.8	5.9
Contract assets	2.3	2.9	2.8	2.9	2.5	1.7	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Prepaid expenses and other assets	1.7	0.3	0.6	0.4	0.3	0.2	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Other current assets	0.7	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	27.7	22.1	19.4	17.2	16.0	20.6	20.9	20.7	19.4	17.9	16.7	15.8	15.1	14.3
Property and equipment, net	8.3	9.0	7.3	6.9	7.1	6.6	6.5	5.8	5.2	4.7	4.2	3.8	3.4	3.1
Operating lease right-of-use assets	3.3	4.1	3.8	3.7	4.9	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Deposits and other assets	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Goodwill	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other assets	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	40.1	36.0	31.4	28.6	28.7	32.4	32.6	31.7	29.8	27.8	26.1	24.8	23.8	22.6
Liabilities and Stockholders' Equity														
Current liabilities														
Accounts payable	1.4	2.4	2.2	1.8	1.7	1.3	1.8	3.1	3.0	2.9	3.0	3.1	2.9	3.0
Accrued expenses	3.1	3.6	3.0	3.2	3.0	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Current portion of finance lease obligations	0.4	0.6	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Current portion of operating lease liabilities	0.6	0.5	0.5	0.5	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Contract liabilities	0.6	0.4	0.6	0.3	0.2	0.1	0.1	0.1	0.0	(0.0)	(0.1)	(0.1)	(0.2)	(0.2)
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	6.1	7.5	6.6	6.3	6.0	4.9	5.5	6.8	6.7	6.5	6.6	6.6	6.4	6.4
Finance lease obligations, net of current portion	2.4	2.9	1.9	1.8	1.8	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Operating lease liabilities, net of current portion	2.7	3.5	3.3	3.2	4.3	3.9	3.9	3.8	3.7	3.6	3.5	3.4	3.3	3.2
Loan from related party, net of current portion							1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Senior promissory notes payable, net	5.5	4.7	4.8	5.0	5.1	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Other liabilities	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total liabilities	16.8	18.7	16.8	16.3	17.3	15.8	17.5	18.7	18.5	18.2	18.2	18.1	17.8	17.7
Stockholders' Equity														
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in capital	97.0	98.8	99.0	99.1	100.3	109.3	109.7	109.7	109.7	109.7	109.7	109.7	109.7	109.7
Accumulated deficit	(67.4)	(75.9)	(78.3)	(80.4)	(83.3)	(86.3)	(88.6)	(90.7)	(92.3)	(94.1)	(95.7)	(97.0)	(97.7)	(98.8)
Deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive loss	(6.3)	(5.6)	(6.1)	(6.4)	(5.6)	(6.4)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Total stockholders' equity	23.3	17.3	14.5	12.3	11.4	16.7	15.1	13.0	11.3	9.6	7.9	6.7	6.0	4.9
Total liabilities and stockholders' equity	40.1	36.0	31.4	28.6	28.7	32.4	32.6	31.7	29.8	27.8	26.1	24.8	23.8	22.6

Balance Sheet Drivers

	Dec-22	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)														
Book Value per Share (diluted)	4.2	3.0	2.6	2.1	2.0	2.1	1.6	1.4	1.2	1.0	0.8	0.7	0.6	0.5
Cash per Share (diluted)	3.3	1.9	1.5	1.0	0.8	1.4	1.1	1.0	0.9	0.8	0.6	0.4	0.4	0.3
Net cash per Share (diluted)	2.0	1.0	0.5	0.1	(0.1)	0.7	0.5	0.4	0.3	0.2	(0.0)	(0.2)	(0.2)	(0.3)

Source: Company reports, Ascendant Capital Markets estimates

LiqTech International, Inc. (LIQT)

Cash Flow Statement (\$ mils)	2022	2023	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	FY-A	FY-A	FY-E	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities													
Net Income (Loss)	(14.2)	(8.6)	(10.3)	(2.4)	(2.0)	(1.7)	(1.7)	(7.8)	(1.7)	(1.2)	(0.7)	(1.1)	(4.7)
Adjustments:													
Depreciation and amortization	2.6	3.1	2.2	0.4	0.6	0.6	0.5	2.2	0.5	0.4	0.4	0.3	1.6
Amortization of discount on convertible notes payable	2.4	0.4	0.6	0.2				0.2					-
Non-cash compensation	-	-	-	-				-					-
Stock-based compensation	0.9	0.6	0.7	0.2				0.2					-
Amortization of right-of-use assets			0.6	0.1									-
Change in fair value of warrant liability	-	-	-	-				-					-
Gain on modification of earn-out liability	-	-	-	-				-					-
Change in deferred tax asset / liability	(0.1)	(0.1)	(0.0)	(0.0)				(0.0)					-
Gain on lease termination	(0.1)	-	-	-				-					-
Loss on disposal of assets held for sale		0.4	-	0.1									-
Gain on sale of fixed assets	(0.0)	(0.0)	0.5	-				-					-
Reserve for obsolete inventory	-	-	-	-				-					-
WC changes	-	-	-	-				-					-
Accounts receivable	(0.5)	(0.8)	0.6	(0.9)	(0.6)	-	-	(1.5)	(0.3)	(0.4)	-	-	(0.6)
Other receivables	-	-	-	-				-					-
Inventory	1.0	(1.0)	(0.6)	0.0	(0.4)	0.1	0.2	(0.0)	(0.1)	(0.2)	0.3	(0.2)	(0.2)
Deposits	-	-	-	-				-					-
Contract assets	(0.5)	(0.8)	1.1	0.9	-	-	-	0.9	-	-	-	-	-
Prepaid expenses and other current assets	(0.4)	1.4	0.0	(0.3)	0.0	-	-	(0.3)	(0.0)	(0.0)	-	-	(0.1)
Accounts payable	(0.2)	1.0	(1.1)	0.4	1.3	(0.1)	(0.1)	1.6	0.1	0.1	(0.2)	0.1	0.1
Accrued expenses	(1.6)	0.6	(0.9)	0.1	-	-	-	0.1	-	-	-	-	-
Operating lease liabilities	(0.5)	(0.6)	(0.6)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Contract liabilities	(0.2)	(0.3)	(0.3)	0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Assets held for sale	(0.7)	0.3	-	-	-	-	-	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used in operating activities	(12.0)	(4.2)	(7.5)	(1.3)	(1.1)	(1.2)	(1.3)	(5.0)	(1.7)	(1.4)	(0.4)	(0.9)	(4.4)
Investing Activities													
Purchase of property and equipment	(1.7)	(2.9)	(1.4)	(0.2)	-	-	-	(0.2)	-	-	-	-	-
Purchase of other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	0.0	0.0	0.9	0.1	-	-	-	0.1	-	-	-	-	-
Net cash paid for acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	(1.7)	(2.9)	(0.4)	(0.1)	-	-	-	(0.1)	-	-	-	-	-
Financing Activities													
Payments on finance lease obligation	0.1	(0.4)	(1.4)	(0.1)	-	-	-	(0.1)	-	-	-	-	-
Proceeds from Sale and Leaseback Agreements	-	1.0	-	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of Common Stock and preferred	24.4	-	9.9	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of Senior Promissory Notes	6.0	-	-	-	-	-	-	-	-	-	-	-	-
Payment of stock offering costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments on Convertible Note	(16.8)	-	-	-	-	-	-	-	-	-	-	-	-
Interest payments on convertible note	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from exercise of stock options	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from related party loan	-	-	-	1.1	-	-	-	-	-	-	-	-	-
Capital contribution from noncontrolling interest	-	-	-	0.0	-	-	-	-	-	-	-	-	-
Net cash provided by financing activities	13.7	0.6	8.5	1.0	-	-	-	(0.1)	-	-	-	-	-
Gain (Loss) on Currency Translation	(0.9)	0.3	(0.1)	(0.0)	-	-	-	(0.0)	-	-	-	-	-
Net cash increase (decrease)	(0.9)	(6.2)	0.4	(0.4)	(1.1)	(1.2)	(1.3)	(5.2)	(1.7)	(1.4)	(0.4)	(0.9)	(4.4)
Cash balance at beginning of period	17.5	16.6	10.4	10.9	10.4	9.3	8.1	10.9	6.9	5.1	3.7	3.3	6.9
Cash balance at end of period	16.6	10.4	10.9	10.4	9.3	8.1	6.9	6.9	5.1	3.7	3.3	2.4	2.4

Source: Company reports, Ascendant Capital Markets estimates

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LiqTech International, Inc.



Report	Date	PT	Rating
1	24-Feb-24	\$5.15	BUY
2	27-Mar-24	\$5.15	BUY
3	22-May-24	\$5.15	BUY
4	21-Aug-24	\$5.15	BUY
5	25-Nov-24	\$3.20	BUY
6	4-Apr-25	\$3.40	BUY
7	14-Jun-25	\$3.60	BUY

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HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

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Total return is defined as price appreciation plus dividend yield.

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Investment Banking Services Past 12 Months				
	Count	Percent	Count	Percent
Buy	52	98%	21	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	21	40%

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